Amendments to the Specification:

Please amend the Abstract as follows:

The present invention is a method for improving resource allocation comprising the steps of identifying at least one criteria; Identifying sets of information wherein each set of information includes a unique unit of analysis (UOA-ID), a calendar/clock time (CCT), a CATVAR and a VAR Value; grouping each UOA-ID into an appropriate specific population (Type); identifying a Start Time wherein each UOA-ID has met said at least one criteria; forming at least one prospective or retrospective Cohort time segment for each UOA-ID based on their Start Time; placing the UOA-ID into the appropriate time segment; calculating an eligibility score for each UOA-ID for each time segment; calculating an Eligible Adjusted Variable Value; and generating at least one Output Expression ~~The method and the system of the present invention transforms economic and eligibility information produced over calendar/clock time (CCT) per a unique unit of analysis (e.g. UOA-ID) that meets the criteria for inclusion into a specific Population (Type) into information organized by Cohort Time and summarized across all UOA-IDs that are part of the same Population. An Eligible Adjusted Variable Value (EAV) can be calculated for each time segment and summarized across all the UOA-IDs to enable one to estimate resources that can be allocated per UOA-ID per Cohort time segment to reach a defined outcome based on a defined return on resource allocation estimate.~~

On page 1, please amend the paragraph starting at line 6 and ending at line 9 as follows:

The present invention related to a method and system for allocating resources to achieve specified outcomes and, more particularly, to a method and system for analyzing data for allocating resources over time ~~as experienced by~~ for defined populations to achieve specified outcomes to best serve a business' goals.

On page 1, please amend the paragraph starting at line 11 and ending on page 2, line 3 as follows:

Managing a business or an organization in a manner that creates long term value is a complex activity. Further, every business or organization has limited resources and the need for business to accurately monitor their costs and justify resource allocation to achieve specified outcomes in a future calendar time period (e.g. financial quarters) is becoming increasingly important. Unfortunately, the task of ~~organization~~ organizing business information to determine proper resource allocation is often extensive and troublesome to organize and it is often difficult or impossible for business managers to use this information to make proper decisions. Accordingly, businesses and other organizations typically either overspend their resources or do not avail themselves ~~to~~ of statistical data and analysis that can be used to optimize their resource expenditures. For example, business establishments that serve a large number of customers generally have a problem

analyzing their transactional information to develop ~~profiles~~ <u>trends</u> in defined population over time. Such ~~profiles~~ <u>trends</u> are desirable to effectively target and determine the effectiveness of various programs for the purposes of optimizing resource allocation to achieve specified outcomes over designed time periods. Further, while it may be known that certain cost reduction programs are hypothesized to be effective to reduce future costs, a need exists for an effective and scientific method and system for optimizing resource allocation that can be shown to likely achieve specified outcomes over time to maximize a business's investment.

On Page 3, please amend the paragraph starting at line 8 and ending on line 18 as follows:

Accordingly, a need exist for a method and system to qualitatively analyze cosy reduction programs and for analyzing information for allocating resources to best serve a business' goals. In health care and product warranty work, the ventral issues are the same. An "individual unit" with a certain characteristic that makes it eligible for <u>inclusion in</u> a defined population, is entered into the population at a certain "start time" (clock or calendar time) and remains "eligible" for this population during a known and quantifiable duration of time. Furthermore, this population has a greater than zero probability of experiencing some event at a future time period, an event with some economic value attached to it. This event, the "individual unit," the date of the event, and the "cash value" of such event is captured by a

transaction system. The method and apparatus transforms this information into usable estimates ~~of~~ <u>for</u> resource allocation <u>decisions</u> needed to achieve specified outcomes.

On Page 4 please amend the paragraph starting on line 7 and ending on line 9 as follows:

In another preferred embodiment of the invention the method further comprises the step of transforming the Output Expression from <u>being</u> expressed in Cohort time segments to being expressed in CCT segments.

On Page 8 please amend the paragraph starting on line 22 and ending on page 9, line 13 as follows:

The system software **104** ~~102~~ is a computer-readable medium having computer-readable instructions for performing the method of <u>optimizing</u> ~~analyzing~~ resource allocation. Preferably, the system software **104** ~~102~~ is an interactive, menu and event driven system that uses prompt, dialog, and entry windows to guide a user to enter information. As used herein, the term "software" refers to any form of programmed machine-readable language or instructions (e.g., object code) that, when loaded or otherwise installed, provides operating instructions to a machine capable of reading those instructions, such as a computer. The system software

104 ~~102~~ of the present invention can be stored or reside on, as well as be loaded or installed from, various software input devices **112** such as one or more floppy disks, CD ROMS disks, hard disks or any other form of suitable non-volatile electronic storage media. The system software **104** ~~102~~ can also be installed by downloading or other form of remote transmission, such as by using Local or Wide Area Network (LAN or WAN)-based, Internet-based, web-based or other remote downloading or transmission methods. Upon a user's entry of appropriate initialization commands entered via the input device **108**, the system software **104** is read by the central processing unit **102** and the method of the present invention for optimizing resource allocation is implemented.

On Page 10, please amend the paragraph starting on line1 4 and ending on page 11, line 14, as follows:

Referring to **FIGS. 1**, **2** and **3**, a flowchart illustrating the overall structured methodology and design of the system software **104** of the present invention is shown. In a preferred embodiment of the invention, a set of information comprising the unit analysis ("UOA"), the identification of their particular UOA ("UOA-ID"), the Type, and the calendar clock date/time ("CCT") are identified (**step 1**) **200** by the system user (not shown) is stored in the information data bank, as represented by Table 1, within the memory **106** of the CPU **102**. As used herein, the term "Unit of Analysis" means the basic or minimum analytical unit that is to be examined using

the method and system of the present invention. The term "UOA-ID" means the particular individual UOA entity involved in the study. For example, in the retail industry, the UOA can be, but are not limited to, an individual person, an individual product line, individual type of person, store type or a section of a store, office type, etc. For the health care industry for example, the UOA can be, but are not limited to, patients having a common diagnosis or condition, medical offices, hospital units, hospitals, etc. Preferably, the UOA will be the most basic analytic unit that can be supported by the known information. The "UOA-ID" can include, but are not be limited to, an individual product, an individual person, an individual store, office, etc. For the health care industry for example, the UOA-ID can include, but are not limited to, an individual patient, medical office, hospital, or hospital unit. As used herein, the term "Type" means an event or action that operates as a trigger ~~whereby~~ such that when the UOA-ID meets a given ~~criterion~~ criteria ~~for inclusion~~ it is included into a specific Population ~~population~~. Thus, "Type" refers specifically to the variable that will be used to direct the UOA-ID into a defined Population. For example, "Type" can include, but is not limited to, a specific diagnosis, or the performance of a specific procedure. As used herein, the term "Population" means a defined set comprising at least two or more UOA-IDs that ~~meets~~ meet an ~~the~~ eligibility criteria (e.g. Type) selected for inclusion into the set ~~Population~~.

On page 11, please amend the paragraph starting on line 2 and ending on line 14 as follows:

After entering the information in step 1 **200**, the user also identifies and enters the particular Type to be used to group each UOA. The system software **104** then operates **(step 2) 202** to group each UOA-ID into an appropriate "Grouper" (This could be equivalent to a_ Type or could be derived from an algorithm that turns "many" into "few" ~~many (Type) to few algorithm~~) which, as represented in Table 2, is then stored in separate Grouper "K" data files in the information data bank. "Grouper" algorithms that can be utilized by the software **104** to turn "many" into "few" are well known and can be proprietary, public, or custom built. For example, UOA-IDs, such as brands of like products (e.g. brands of toothpaste), can be grouped into a generic Grouper called "toothpaste." UOA-IDs, such as brands of cereal can be grouped into a generic Grouper called "cereal" or may be further grouped according to the size of the box of the cereal. In the health care industry, UOA-IDs, such as the 10,000+ codes used by health care providers on transaction/claim forms (ICD-9 codes) can be grouped into Groupers of genus and species type classification. For example see U.S. Patent Nos. 5,835,897 and 6,223,164.